



A Publication of the
**DEPARTMENT OF REGULATION AND LICENSING
FOR AUCTIONEERS AND AUCTION COMPANIES**

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A Message From the Board Chair, Richard Lust

Can you believe it has now been 7 years since the Auctioneer License Law first took effect back on March 1, 1995. While many changes have occurred since then, many things also have stayed the same. It seems appropriate to remind all registrants of some of the basic rules regarding how we conduct our auction business.

Remember that the rules require you to notify the Department of any address changes. This is important so that records can be updated to make certain that you continue to receive all your mailings, renewals, and this Regulatory Digest. There are potential penalties for failing to properly make such notification to the Department.

Also, if, for any reason, you receive any type of letter or correspondence from the Department or

the Board, it is imperative that you answer any such letter immediately. We recently had a situation where a registrant was sent a letter requesting a response to include some specific information. The registrant passed the Department's letter on to a non-registered individual and no reply was ever received from the actual licensed auctioneer! This could result in formal disciplinary action against the registered auctioneer, since the auctioneer is required to reply to such letters, not a subordinate. Be sure you promptly and **personally** answer any and all correspondence you might receive from the Department.

The advertising requirements regarding the need to include the statement "Registered Wisconsin Auctioneer" and your license number in **all** auction ads has not changed. Are you remembering to include such language in your ads, as required by RL123.03 (2)? Note that at this time there is no provision for abbreviating this required statement, although the Board has requested law changes to allow for it. Be sure you include that statement in all your auction-to-be-held ads.

THE WISCONSIN AUCTIONEER BOARD

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Richard O. Lust, Chair (Verona)
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Robert Brandau, Secretary (Wilton)
Ronald R. Bast (Richfield)
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Mark Shain (Greenwood)

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Did you know that a “new” (September, 2001) issue of the booklet ***“Wisconsin Statutes Relating To The Practice Of Auctioneers And Auction Companies.”*** is available? If you do not have a current copy of this booklet—the new issue has a lilac-colored cover — you can obtain a copy from the Department for \$5.28. Most, if not all, of your questions relating to the practice of auctioneering within the State of Wisconsin probably can be answered by referring to the appropriate section of that booklet.

Are you maintaining your required records for all auctions? Remember, regardless of whether you use an Auction Trust Account for distribution of your client’s funds, you are required to maintain a full financial accounting for all auctions. Refer to Chapter RL 125, *Maintenance Of Records*.

By the time you read this Digest, it is anticipated that new rules requiring on-going continuing education every two years will be in their final stages. If and when these changes are officially made, you will be updated on your need to attend continuing education classes (or opt to take and pass a test-out exam) before you will be allowed to renew your auctioneer’s registration at the end of 2004 (**not at the end of 2002**). Watch for further details in the next issue!

Are you posting your terms and conditions at each auction, prior to the start of the auction? Refer to RL 126.02 (12) for details.

If I can be of any assistance answering any of your concerns, please feel free to call me. I will do my best to help, or will direct you to someone else who can help.

I wish you all a prosperous spring and summer auction season!

Governor McCallum’s Board Appointments

Governor Scott McCallum has appointed Richard Lust to another 4-year term on the Board. The terms of Robert Massart and Marie Kohlbeck have expired. The Board and the Department would like to express gratitude to the Board members for serving on the Board since the beginning of the auctioneer regulation.

Their assistance with all of the rulemaking that had to been done was invaluable.

At the time of this writing, Governor McCallum has not appointed a replacement for Ms. Kohlbeck; however, she will continue to serve on the Board until a replacement has been appointed.

Governor McCallum has appointed Carl Theorin` to replace Robert Massart. Mr. Theorin has now been confirmed by the Senate and will become a voting member of the Board at its April meeting. The Board is looking forward to Mr. Theorin joining the Board.

Registration Statistics

The number of active registrants as of March 1, 2002, is:

Auctioneers	1,000
Auction Companies	178

Statistics relating to the number of auctioneers registered during of the past 5 years are as follows:

1996: 126	1999: 114
1997: 114	2000: 81
1998: 486	2001: 73

Statistics relating to the number of auctioneers renewed at the end of the last three biennia are as follows:

1996: 940
1998: 768
2000: 914

Fee Revisions in Budget Bill

The Biennial Budget Bill was passed and enacted as 2001 Wisconsin Act 16. The Act increases the original license fee for all the professions regulated by the Department and its boards from \$44 to \$53. Also, there is an increase in the renewal fee for auctioneers from \$135 to \$174 and auction companies from \$47 to \$56.

Enforcement of Disciplinary Orders

One the duties of the Auctioneer Board is to issue disciplinary orders concerning practitioners and companies that have not complied with the auctioneer statutes and code of conduct. Agendas for the Board's meetings, which include the names of auctioneers and companies

who are to be considered for discipline, are distributed to the media and are available to the public. The results of the Board's disciplinary decisions are also distributed to the media and available to the public.

Although the Auctioneer Board issues a disciplinary order, a practitioner or company under some circumstances may continue to practice. For example, disciplinary orders which suspend or revoke a registration are sometimes not effective for several weeks or a month after they are issued. During that period the practitioner may continue to practice. Also, those who are disciplined may request a rehearing or seek relief from the order by a court appeal. Courts often allow professionals to continue to practice during the time the case is on appeal.

Denial of Renewal Due to A Tax Problem

The application process for initial registration or renewal cannot be completed if the applicant has a Wisconsin tax delinquency. Before completion of the application process the department checks with the Department of Revenue (DOR) to determine if the applicant has a tax delinquency. If there is a tax delinquency, the applicant will be informed by the DOR that the application process will not be completed until the delinquency is remedied. If the delinquency is not remedied, legal processes are initiated which may result in denial of an initial application for registration or denial of an application for renewal.

It is important to note that an application for renewal of registration which is received by the Department **before expiration** of the registration allows the applicant to continue to practice unless the application is denied. Applications for renewal which are **not timely**, even if they include a late fee, will result in prohibiting the applicant to continue to practice if there is a tax delinquency. In cases where a renewal application is not timely, the applicant must remedy the tax delinquency before resuming practice as an auctioneer or auctioneer company.

Mandatory Continuing Education

With the advice and recommendations of the Board, the Department prepared a rule draft that would require registered auctioneers to obtain 6 hours of continuing education every 2 years. The Board recommended a relatively small number of hours, so obtaining the hours would not be a burden to registrants. The Board believes that this is the minimum number of hours that auctioneers should be devoting to keeping up with changes in the laws relating to auctioneering.

A hearing on the proposed rules was held on Tuesday, March 26, 2002. The rulemaking procedures that follow the hearing include waiting several weeks for any written comments, making final changes to the rule (if needed), sending the rule to a legislative standing committee in the Senate and Assembly, responding to any concerns one of the committees might have, finalizing the rule proposal and promulgating the final rule.

Auctioneer Contracts

Auctioneers are not required to use Board-approved or Department-approved contracts, as real estate agents are. However, auctioneers are required to comply with Chapter RL 124 and include certain terms and conditions in their contracts.

Even though the Board does not regularly scrutinize your contracts, You should be prepared for such scrutiny if you are the subject of an investigation. Copies of the contract often play a significant role in the investigation of a complaint. Now is the time to make sure your contracts comply with the law, rather than after becoming a respondent in an investigation.

Bidding by Auctioneers and Sellers

The Board has recommended the appointment of an Auctioneer Rules Committee to review concerns about auctioneers and sellers bidding under certain circumstances. Secretary Herrera appointed the following committee members: Mark Shain, Robert Massart, Scott Varney and William Dusso (Legal Counsel of the Board) We will keep you informed about the recommendations of the committee. There could be a few rule changes.

REGULATORY DIGEST

PRSR STD
U.S. Postage
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Madison, WI
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RETURN SERVICE REQUESTED

New Telephone Directory

The Department of Regulation and Licensing has recently implemented an IVR Auto-Attendant Telephone System. This system may be accessed 24 hours a day for computerized licensing information. We ask for your patience as we perfect the system and remove some of the bugs we have encountered. You may continue to dial the following telephone number; **however, the extension numbers that had been published in past issues of the Regulatory Digest are no longer valid.** Please listen to the new menu for the new extension numbers. The number to dial is:

(608) 266-5511

Our Fax Number is: **(608) 267-3816**

Board Meetings

Usually, the 4th Monday of every second or third month.

Verifications

Requests for verification of license, sent to other states must be in writing. **The cost is \$10.** Please make out check or money order to the Department of Regulation and Licensing.

Visit the Department's Web Site

www.drl.state.wi.us

For our new "Online Verification of Credential Holders" click on "Business and Professional License Lookup" shown on the Department's home page.

Copies of the Regulatory Digest are on the Web.

Send comments to web@drl.state.wi.us

Wisconsin Statutes and Code

Copies of "Statutes and Administrative Code Relating to

the Practice of Auctioneers and Auction Companies" can be ordered from the Department.

Include your name, address, county and a check payable to the Department of Regulation and Licensing in the amount of \$5.28. The latest edition is dated September 2001.

Change of Name or Address?

Please photocopy the mailing label of this digest, make changes in name or address, and return it to the Department. Confirmation of changes is not automatically provided.

WIS. STATS. S. 440.11 ALLOWS FOR A \$50 PENALTY TO BE IMPOSED WHEN CHANGES ARE NOT REPORTED WITHIN 30 DAYS.

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